

# COUNTY OF YORK

## MEMORANDUM

**DATE:** January 31, 2005 (BOS Mtg. 2/15/05)

**TO:** York County Board of Supervisors

**FROM:** James O. McReynolds, County Administrator

**SUBJECT:** Riverwalk Landing Operations

Staff has been working to develop plans for the operation of Riverwalk Landing. These plans include dock operations for recreational craft as well as larger vessels, Riverwalk building and pier maintenance, event scheduling and presentation, and advertising and marketing. All operations, including a reserve for long-term maintenance of the buildings and piers, will be paid for from rents and fees collected from the project.

Under our agreement with Morton G. Thalhimier, they will be responsible for coordinating the daily maintenance issues such as light bulb replacement, trash pick-up and removal, and other general building services. The agreement has a provision for the County to perform any of these functions with in-house staff if we can do it less expensively.

The Homeland Security Act requires that the County develop a port security plan for any cruise ship dockings. Vessels of a size larger than those that have been docking in Yorktown in the past will require enhanced security measures. It is the intent of staff for those ships to bear the burden of additional costs associated with such applicable security requirements. Staff has developed a draft Port Security Plan in conjunction with the Coast Guard. The draft is presently under Federal review and will be presented to the Board after the County receives formal comments. When the Port Security Plan is finalized, it also will be necessary for the Board to act on a full schedule of fees and charges. In the meantime, it is important that pier operations be established in order to be ready to accept transient dockings when the Riverwalk Landing Project is complete. Staff proposes that the necessary functions be provided on a contractual basis and has negotiated a Management Services Agreement with a firm to act as dockmaster. This critical component of preparing for such operations is further discussed below.

Although the details are still being developed for Riverwalk Landing, the Board will find a preliminary budget attached. The rental revenue is based on leases for the restaurant and retail spaces. The docking fee revenue is projected solely for transient boaters and are based on a fee of \$1.75 per foot. This is in accordance with the Board's prior instructions to assure that fees are set in such a manner as to not compete with local marinas. You will also note in the budget an item addressing the hiring of an events planner in the Parks and Recreation Division of Community Services as was discussed at last week's work session.

As referenced above, it is important that pier operations be established in order to be ready to accept transient dockings when the Riverwalk Landing Project is complete. Accordingly, a Request For Proposals (RFP) was issued and advertised to provide management services and personnel for the Riverwalk Landing Piers. The selected company, Coastal Properties Management, Inc., (CPM) of Annapolis, Maryland, was one of two respondents to the RFP.

CPM currently manages 13 marinas, both publicly and privately owned, in Virginia, Maryland, and the District of Columbia. Since its inception in 1989, CPM has managed 40 marinas. CPM's President, Mr. Mitchell R. Nathanson, has 26 years of marina management experience. With a total of 3,000 boat slips under its management, approximately 200 employees, annual sales exceeding \$25 million, and management of facilities valued over \$110 million, staff feels that CPM is exceptionally qualified to manage the operation of the Riverwalk Landing Piers.

Staff is not only confident that outsourcing these services will result in a cost savings, but that CPM's established network of marinas in the Chesapeake Bay area, experience, and expertise, will position Riverwalk Landing in such a way as to maximize the potential for revenue generation. Budget estimates prepared by staff calculated that it could cost as much as \$200,000 for the County to manage the operation of the piers and hire additional full and part-time staff for that purpose. The budget negotiated with CPM estimates a management cost of \$179,787 for the Riverwalk Landing Piers, all of which is to be covered by the revenue collected from docking fees.

An example of where savings are realized by contracting with CPM is with marketing and advertising. CPM pro-rates marketing/advertising costs between the 13 marinas under its management for ads in major boating publications like *Chesapeake Bay Boating Magazine*, *Passage Maker*, *Soundings*, etc., and at events such as the Annapolis Boat Show. In addition, with 3,000 boat slips under its management, it have the ability to market Riverwalk Landing directly to its boating community at no cost to the County.

The major components of the management services agreement are as follows:

1. The term of the agreement is for one year and can be extended for up to four additional one-year terms, for a maximum of five years.
2. The County will pay CPM 15 percent of the gross revenue from docking fees as its management services fee, and will reimburse CPM for its personnel costs not to exceed a reasonable amount agreed upon by the County. Based on the projected operations and management budget, that cost is not expected to exceed \$180,000 for the first full year of the agreement.
3. An annual management and operations plan will be developed by CPM and submitted for County approval. Changes to the plan can be made with County approval.

4. At a minimum, a dockmaster or assistant dockmaster will be on-site 365 days a year from 8:30 a.m. to 5:00 p.m. Additional work-as-required staff will be provided during the peak boating season on Friday, Saturday, and Sunday until 9:00 p.m. Staff will also be scheduled as necessary to cover holidays and special events/activities.
5. All staff will be employees of CPM, not York County.
6. CPM will provide the County with monthly reports during the boating season and quarterly reports during the off-season.
7. Under the terms of the agreement, the County has the right to adjust the budget at any time. This condition provides the flexibility to adjust the budget upward if docking fees are more than expected or downward if docking fees are less than expected.

I recommend adoption of proposed Resolution R05-18 to approve a Management Services Agreement between York County and Coastal Properties Management, Inc.

Smith/4111

Attachments:

- Preliminary Budget for Riverwalk Landing
- Proposed Resolution R05-18

**Riverwalk/Yorktown Operations Fund  
Preliminary Budget  
FY2006**

**Budgeted revenues:**

Rents	\$ 270,000
Dock fees	202,000

<b>Total budgeted revenues</b>	<u>472,000</u>
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**Budgeted expenses:**

Real Estate	10,250
Maintenance/Repair	100,000
Riverwalk Landing Marketing Fund	20,000
Event planner	50,000
Events/Advertising/Printing	30,000
Pier Operations	180,000
Contingency	20,000

<b>Total budgeted expenses</b>	<u>410,250</u>
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Long-term Maintenance Reserve	<u>50,000</u>
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<b>Undesignated Balance</b>	<u><u>\$ 11,750</u></u>
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